

*Council on Technology Services
Seat Management Workgroup
February 12, 1999 Meeting Minutes*

Attendees:

Pete Kolakowski, Chair	VDOT	(804)786-9950
Chip German	UVA	(804)982-2638
Courtney Carpenter	W&M	(757)221-1785
Rick Wilhelm	Fairfax County	(703)324-2689
Evie Whitley	Treasury	(804)371-6006
Dan Hix	Council on Higher Ed.	(804)225-3188
Pete Stamps	DGS/DPS	(804)786-8616
Henry R. Campbell	DGS/DPS	(804)786-0275
Ken Mittendorpf	SCV	(804)786-7817
Murali Rao	VDOT	(804)786-9702
Betty Greene	GTSI	(703)502-2626
Andy Poarch	DIT	(804)371-5549
Tom Bradshaw	VDOT	(804)786-5363
Dan Gayk	VDOT	(804)786-7265

Pete called the meeting of the Seat Management Workgroup to order at 1:02 p.m. welcoming those present and recognizing special guests Evie Whitley and Dan Hix. Pete then turned to the December 18 meeting minutes and asked if there were any corrections or comments. As there were none, the minutes were approved as presented.

Next on the agenda was a discussion of the Education Trust Fund (EDF) and the flexibility of the program. Dan Hix opened the discussion with a brief description of the program. Following are several highlights from his overview:

- The fund was started in the mid 1980s.
- The program has funded \$400 million in equipment.
- Educational Institutions have used the fund to primarily acquire science & computing equipment.
- The program is now in a four year plan looking at connectivity and institution technology plans.

- The process to use the ETF has been streamlined over the years.

Evie then followed with additional information about the ETF.

- The General Assembly allocates money to each institution.
- The aggregate useful life of equipment obtained through the ETF is five years so the bonds are for five years.
- The authority issues the bonds and while the schools get the equipment, it belongs to the authority.
- The equipment serves as collateral for the bonds.

After the presentations Pete opened the floor for questions and comments. Chip German noted that the ETF has been a huge benefit to all institution and that they have grown to be dependent upon it. He stated that it has successfully been used to acquire technology but that the five year lifecycle is growing to be a problem because of obsolescence of the computer equipment. He asked if there is a way to creatively establish a funding plan for technology with a shorter life span.

This prompted other questions from the group:

- What kind of lease is available through the ETF?
- Is the collateral of the lease adequate to satisfy the ETF?
- Is there another program to use the funds from the allocation?
- How do institution break from reliance on the ETF and not hurt programs?

Ken Mittendorf warned that the group try not to change the ETF because it works fine for many institution needs. Any change may jeopardize the programs effectiveness in areas other than technology. Evie said that the Treasury Board Equipment Leasing Fund is available to all agencies. This might be an alternative and could be investigated.

Following significant discussion by the group, Pete summarized the issues into four key areas:

- ETF is a funding source of which only a portion is designated for technology on the desktop. Should the program be changed?
- Should the Commonwealth look at leasing or financing?
- How do we identify seat management from financing, support and disposal perspectives? An accurate inventory of units is needed to determine the costs.
- Seat management must be implemented with fiscal and technical advantages; it should not be done just to do something new.

After reviewing these issues, the group agreed to focus on them and also agreed that the ETF will probably not be the appropriate vehicle to fund seat management at state institutions. It was noted that the House Committee on Technology understands that a three year life of desktop computers is

reasonable because of advances in technology.

The workgroup next focused on reviewing the draft charter. After some discussion, several changes were recommended which will be applied and then distributed as a final document to the work group members.

Milestones were then discussed and it was suggested that the workgroup dig deeply into each subject area on the charter and solicit presentations from both the public and private sector. The plan will be to come to a consensus for the final results of the workgroup by July or August and finalize the documentation by September or October.

Pete opened the floor to other events or issues. Chip plans to award a contract in July to install vanilla machines in a computer lab by September 1. Because of the complexity of issues, he was advised that he should not rush into making a decision and that evaluation of proposals may be challenging. Courtney also indicated that William & Mary is also soliciting a seat management arrangement but not nearly on the scale of the VDOT contract. Because the committee is interested in the VDOT contract, Pete promised an update on the progress of the pilot to the workgroup at the April meeting.

Rick Wilhelm requested that there be an ability to get a waiver from VDOT so that Fairfax could use the VDOT contract prior to the end of the pilot. Pete answered that it would be premature to open it at this time. VDOT needs to establish a track record for the concept as well as the contract.

Rick distributed a white paper sponsored by the Association for Federal Information Resources Management (AFFIRM) titled "Seat Management: A Federal IRM Perspective." It outlines their view of seat management at the federal level.

With no further business, Pete asked if someone would like to host the meeting since VDOT had hosted all previous meetings. Rick agreed to host the next meeting on March 12 at the Fairfax County Government Center. Betty Greene offered to open the GTSI office for a meeting, however the workgroup members felt that it might more appropriate to keep the meeting at government sites. Pete thanked her for the offer and her interest in the proceeding of the workgroup. Rick will work with Dan Gayk to develop the agenda for the meeting to include a representative from GSA and GTSI. The meeting was then adjourned at 3:20 p.m.